

DEPARTMENT OF STATE REVENUE

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LETTER OF FINDINGS NUMBER: 98-0113P

Individual Income Tax

Calendar Year: 1996

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8-1-10-2.1(d), 45 IAC 15-11-2 and IC 6-3-4-3

The taxpayers protest the imposition of the penalty.

STATEMENT OF FACTS

The taxpayers filed an IT-40 for calendar year 1996 on April 15, 1997 showing a balance due of \$3,617.00. On March 5, 1998 the Department issued its Demand Notice for Payment for the tax balance, penalty, and interest. On March 12, 1998 the taxpayer paid the tax plus updated interest and protested the penalty.

I. Tax Administration – Penalty

DISCUSSION

At issue is whether the taxpayers were negligent in remitting tax due subjecting them to a penalty.

The taxpayers submitted an explanation on March 27, 1998 which indicates that no money was available at the time of filing the return and that they worked as quickly as possible to obtain financing in order to pay the taxes. On March 12, 1998 the taxpayers paid the tax plus interest and asked that the penalty be waived.

The Department issued its billing on March 5, 1998 because the tax return was received without a remittance.

IC 6-8.1-10-2(a)(b) states that the penalty is ten percent (10) of the amount of the tax not paid, if the person filed the return but failed to pay the full amount of the tax shown on the return.

FINDING

The taxpayer's protest is denied.